

# Mississippi Public Service Commission



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May 31, 2007

**VIA ELECTRONIC FILING**

Ms. Marlene H. Dortch, Secretary  
Office of the Secretary  
Federal Communications Commission  
c/o Natek, Inc.  
236 Massachusetts Avenue, NE  
Suite 110  
Washington, DC 20002

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**Re: Iowa Telecom Petition for Forbearance Under 47 U.S.C. 160(c) From the Universal Service High Cost Loop Support Mechanisms; Iowa Telecom Petition for Interim Waiver of the Commission's Universal Service High Cost Loop Support Mechanisms, CC Docket No. 96-45, WC Docket No. 05-337, filed May 8, 2006.**

Dear Secretary Dortch:

In regard to the Iowa Telecommunications Services, Inc., ("Iowa Telecom") Petitions for Forbearance and Interim Waiver ("Petitions") under 47 U.S.C. 160(c) from the Universal Service High Cost Loop Support Mechanisms in WC Docket No. 05-337, the Mississippi Public Service Commission ("MPSC") would like to communicate its strong opposition to these Petitions.

Each Petition represents an effort to unjustly divert universal service funding from existing non-rural, high cost carriers to Iowa Telecom. Iowa Telecom's decision in 2001 to purchase GTE's exchanges has resulted in the company's inability to qualify for universal service funding. Certainly, at the time of the purchase, Iowa Telecom was aware of the Federal Communications Commission's ("FCC") rules that govern universal service distributions to rural carriers. It is unfortunate for Iowa Telecom that GTE's insufficient embedded investment has produced no high cost support. Nevertheless, Iowa Telecom's oversight should not be rewarded by a favorable FCC decision in these Petitions.

In addition, if Iowa Telecom is successful in these Petitions, existing non-rural carriers who qualify under the FCC's universal service rules will be penalized through loss of funding. It is our understanding that Mississippi carriers will absorb a funding loss approaching five million dollars, if the FCC rules in Iowa Telecom's favor. Of greater concern is the fact that Mississippi and other state recipients of universal service high cost funding will suffer even larger losses if additional, similarly situated carriers apply for and receive similar treatment. Therefore, a FCC decision supporting the Iowa Telecom Petition would set a precedent that would be devastating to the present participating non-rural carriers.

Furthermore, the FCC is currently considering comprehensive reform of the universal service fund mechanism. It does not represent sound regulatory policy for the FCC to grant piecemeal relief to a Petitioner in the midst of changing the overall process. For this reason alone, each of these Petitions should be denied.

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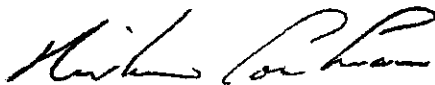
Ms. Marlene H. Dortch

May 31, 2007

In summary, non-rural, high cost funds are critically needed to support carrier efforts in providing services required by both wireline and wireless customers throughout our state. A FCC grant of these Petitions will serve to significantly impair current support streams that flow to non-rural carriers. Also, each Petition falls outside the current comprehensive reform process for the universal service fund and should not be granted. The MPSC strongly urges the FCC to reject this Iowa Telecom initiative for the reasons stated herein.

We appreciate this opportunity to express the position of the MPSC regarding this matter.

Sincerely,



Nielsen Cochran, Chairman



Leonard Bentz, Vice Chairman



Bo Robinson, Commissioner

VBH/mg

Cc: The Honorable Thad Cochran  
The Honorable Trent Lott  
The Honorable Roger Wicker  
The Honorable Bennie Thompson  
The Honorable Chip Pickering  
The Honorable Gene Taylor  
Chairman Kevin J. Martin  
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Commissioner Deborah Taylor Tate  
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